PREFACE

The importance of Social Security in the developing countries like India, particularly in the context of present employee and employer relations, need not be exaggerated. It is gaining greater importance in the field of business management and industrial administration. In the past, institutions like the joint family, Community Panchayats, orphanages and widow homes, giving of alms, individual charity and philanthropy had been instrumental in affording some, though not universal, protection to persons without means and capacity to work. But with advent of industrialisation in India, the close-knit caste system and the joint family are gradually vanishing. These out-dated institutions have to be replaced by more relevant and appropriate ones adapted to a new economic and social order together with planned economic development and the objectives of socio-economic policies of a welfare state.

The Indian industrial landscape has changed perceptibly during the last twenty-five years. Industrial labour and the peasantry have become active in exerting their legitimate rights in society. A new sense of social justice is moving our government and people to make available the benefits of a welfare state to the backward
classes, women, children, the old and the sick and infirm and other weaker sections of our society.

Accordingly, the socio-economic policies of our country particularly in the industrial field have been directed, during recent years, towards providing Social Security through a compulsory social insurance Scheme. With this objective in view, the Employees' State Insurance Scheme was first introduced in Kanpur and Delhi simultaneously on 24th February, 1952, under the Employees' State Insurance Corporation. The Scheme is now twenty-five years old and celebrated its Silver Jubilee Week all over the country in February/March 1977. It provides protection to certain categories of industrial workers against the contingencies of sickness, maternity and employment injury through the institution of compulsory social insurance. The present coverage and grant of benefits, though limited in scope, is an important landmark in the history of Social Security of our country.

Although many studies on various aspects of Social Insurance in India have been carried out by a number of scholars, no systematic attempt, to our knowledge, has been made on the organisational and procedural aspects of
Administration of Benefits under the social insurance programme in India. An attempt, therefore, has been made in this thesis to critically examine the modus operandi of the Administration of Benefits under the E.S.I. Scheme.

The study is based on published materials, personal investigations and interviews with insured persons, employers, E.S.I. functionaries and Insurance Medical Officers. This was a difficult task and required quite a good investment of my time, but I am satisfied that their views have helped me a lot in crystallizing my ideas and doing my own assessment of the subject. Thus this study of "Administration of Benefits under the Employees State Insurance Scheme" is substantially facts oriented.

The first chapter deals with the historical perspective of social security movement in India. A reference to developments abroad in the field of social insurance planning will also be found. It shall be shown that E.S.I. Scheme approximates international norms of social insurance legislation.

Chapter two studies the administrative structure of the E.S.I. Scheme and examines the democratic foundations of the E.S.I. Corporation and various bodies
constituted under the Act. As is the experience elsewhere, Government plays a major role in policy making and other decision making activities.

Chapter three analyses the procedures and methods utilised for implementation of the scheme. Suggestions have also been made in this chapter to simplify them and to make them more useful functionally.

In chapter four the problem of administration of benefits has been discussed at some length. Both cash and medical benefits form the main theme of this chapter. It is obvious that the success or otherwise of a scheme depends on the way in which benefits are disbursed expeditiously and without any inordinate delays and undue complications. In this connection an attempt has been made to evaluate this aspect of the scheme objectively and in my own light.

The fifth chapter deals with the financial implications of the scheme. The contribution structure, collection mechanism, E.S.I. fund and its investment and accounting arrangements has been critically analysed and discussed. Here also some suggestions will be found in the text. These may help initiate a discussion on points that merit the attention of the authorities in-charge of the
The last chapter is an attempt at summing up. Observations and suggestions made in various paragraphs have been presented in one unified perspective so that the reader may be able to form an opinion on the issues involved.

In writing this thesis I am very grateful to Dr. S.K. NULBE, my guide, who has been a friend and a philosopher to me. He has proved a constant source of inspiration and a well-informed teacher besides a reliable critic on the subject. He gave me full liberty to encroach upon his precious time, even to his great inconvenience. The work could not have seen the light of the day without his guidance and indulgence.

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(Surinder Kumar Sood)